The claimed invention recites a different approach: The advertising system does not determine, on its own, any aspect of advertising; that is, it does not do any "thinking" or analysis. Instead, the consumer <u>tells</u> the system which type of ads the consumer wants to view. The consumer tells the advertising system what the consumer's *advertisement* preferences are, not what the consumer's *product* preferences are. Furthermore, factors such as demographics and lifestyle of the consumer have no function or role in the advertising method of the claimed invention. These factors are simply not needed because the consumer directly instructs the advertising system what type of advertisement via the "advertisement-determinative category" she wants to see.

Thus, Eldering teaches an advertising system where the system determines which ads to send to the consumer based on the consumer's product preferences (and other data). It does not teach sending ads to the consumer based on the consumer's advertisement preferences.

It is worth noting that Eldering teaches a method in which the consumer maintains a profile of himself (see col. 7, lines 15-21). In this method, the consumer exclusively controls his "consumer demographic and product preference characterization." This enables the consumer to change his demographics or his product preferences and, thus indirectly alter what type of ads he will receive. The consumer can also allow an advertising system or other third-party access to the profile so that the third-party can alter the profile. In exchange for this privilege, the consumer may be promised more accurate ads, may be paid cash, or may receive some other type of benefit or reward. However, even in this method, in which the consumer profiles himself, he is still setting his own *product* preferences, not – as recited in the claims of the present invention -- *advertising* preferences.

Thus, Eldering teaches an advertising method in which a consumer receives ads that are more highly correlated with his interests and wherein the correlation is determined based on product preferences and demographics and the correlation is performed by the advertising system. In contrast, in the claimed invention, there is no "correlation" step. The consumer selects an advertisement-determinative category and the system sends ads based on the consumer's selection.

Claims 107 and 108

Claim 107 recites that the decision of what type of advertisement will be displayed on the client computer is *made on the client computer* and not on a server computer or any other external component in the network. In one aspect of the present invention, part of the decision or determination as to what type of advertisement will be displayed is made, in one aspect of the present invention, by the user selecting an "advertisement-determinative category" from a list of categories on the client computer. This user-selected ad category, which can also be described as a user ad preference, is stored on the client computer and is used primarily by the client computer to construct an "advertisement descriptor/locator," – a URL, for example -- which is then transmitted to a server computer. The server computer receives the descriptor/locator, makes any necessary technical modifications or additions to it, retrieves the self-targeted ad, and transmits it to the client computer.

Claim 107 (and 108) also recites in the preamble that the "self-targeted" ads are *pulled* to the client computer. It recites limitations that make clear that an advertisement transmitted to the client computer is a self-targeted advertisement rather than merely a "targeted" or pushed advertisement – a concept that is well established in the art. The concept of "pulling" content of a general nature or non-advertisement content to a client computer is one that has propelled

growth of the Internet -- users pull content from the Internet to their web browsers all the time – and there is nothing novel about this concept.

However, the one type of content that is not pulled by users over the Internet is advertisements. This is true because advertisers have conventionally *pushed* or targeted ads to a user because they are attempting to sell something to the user that the user may not want or is not thinking about, or the user may be targeted by an advertiser based on a user profile.

In contrast, the present claims recite the element of each user pulling ads that each user wants to the user's browser. Each user selects an advertisement-determinative category. A user selects an advertisement-determinative category and, if desired, a sub-category. By doing so, each user effectively says to the Internet: "These are the types of ads I want to see," and thereby each user is able to pull those types of ads to his or her client computer. This is a new model for advertising over the Internet.

Claim 108 recites limitations wherein data on the client -- for example, a user's previous behavior, data from a web page, or data from a cookie -- determines a specific advertisement to be displayed in the page. In this aspect of the present invention, the user does not select from a list of advertisement-determinative categories and is not directly involved in the process of determining which advertisement will be viewed. As with claim 107, the specific advertisement is pulled to the client computer by generating an "advertisement locator/descriptor" *on the client computer* based on data stored on the client at the time the determination is made.

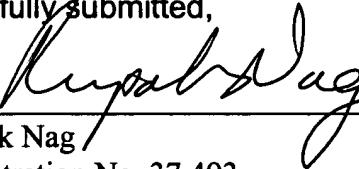The Applicants assert that claims 107 and 108 are clearly distinguishable from Eldering.

Favorable consideration and allowance of the pending claims are respectfully requested.

Respectfully submitted,

Dated: June 22, 2005

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